

GVWUA Conserved Consumptive Use Pilot Project

A Successful Alternative Transfer Mechanism Project



Grand Valley Water Users Assoc.

Grand Junction, Colorado

Mark Harris, General Manager

August 6, 2018

The Big Picture



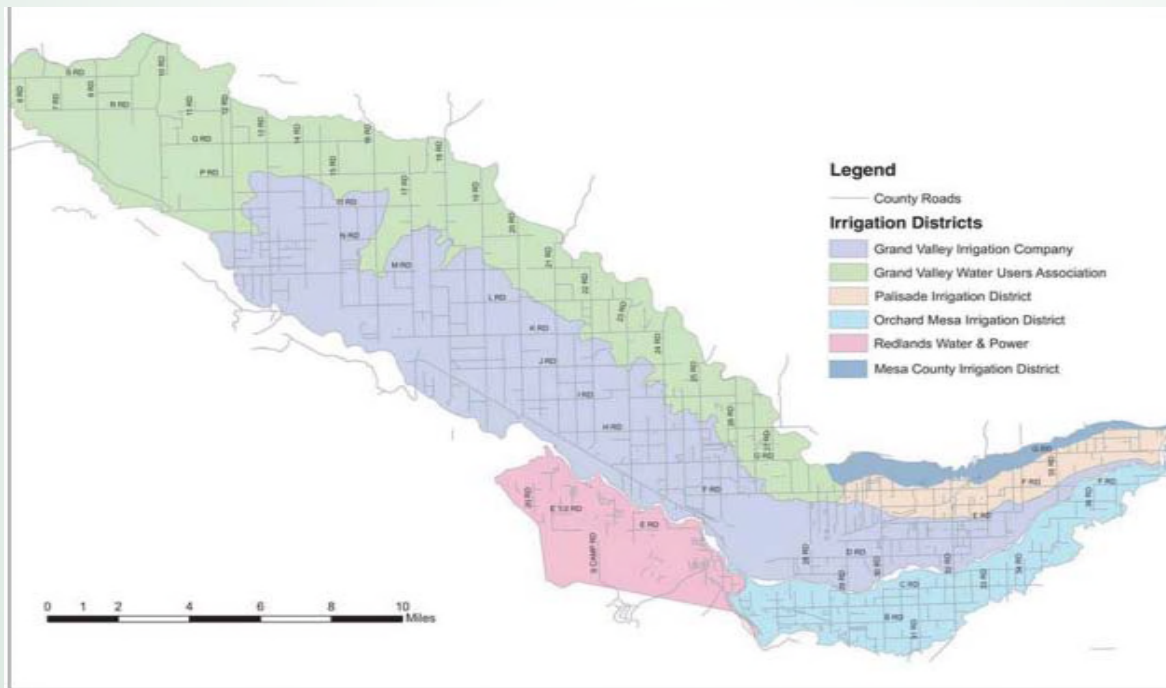




Introduction to the GVWUA

Grand Valley Water Users Association manages the water diversion for GVWUA, OMID, PID, MCID, and the Grand Valley Power Plant

- GVWUA has 1,700 accounts; thousands of customers
- 23,500 irrigated acres
- Other GVP approximately 15,000A





GVWUA CCU ATM

Conserving Consumptive Use is the practice of intentionally foregoing consumptive use of a water resource and potentially making the conserved volume for use for a different purpose or at a different time.



Consider these quantities of conserved consumptive use as potential “Investments” in a water bank. Please note: such a water bank does not currently exist in the Upper Basin

Grand Valley Water Users Association

Conserved Consumptive Use Pilot Project (CCUPP)

Water from this use to ...



... this use



“Potential Water Security Investments”

v. firming up annual yield for M&I



Why the Grand Valley Water Users Association?



Demand Management has been identified as critical to an UB Drought Contingency Plan

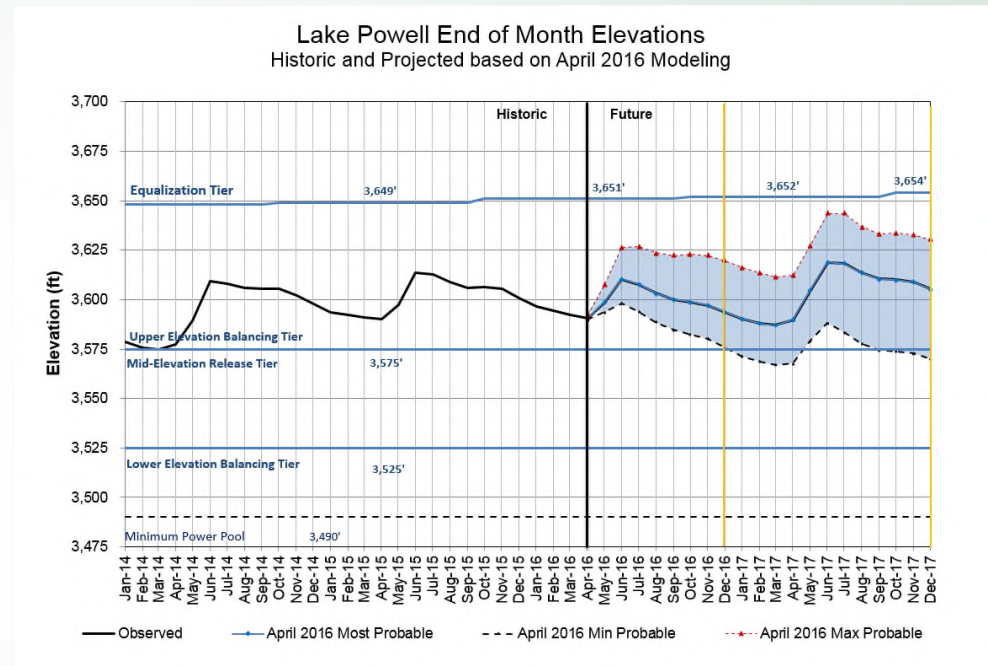
Western Slope Ag Water... including ours...is in the bull's eye!



Why is the GVWUA participating?

Protection

- Unacceptable risk associated with drought and climate change
- Basin-wide population pressure
- The Grand Valley Project is a Reclamation project. DOI and Reclamation's role in the Upper Basin is unknown.
- Avoidance of draconian measures if/when supply curtailed for crisis mitigation





Why is the GVWUA participating?

Benefit

- The GVWUA shareholders have the right to the beneficial use of the water resource for irrigation. If “water banking” represents an opportunity to capitalize in a limited manner on that property right, then it is appropriate that the Association investigate the idea.
- Infrastructure investment through potential revenue stream
- Practice and prepare for potentially tough negotiations ahead





Why is the GVWUA participating?

A seat at the table for agricultural water use

- The unintended consequences of decisions made by others affect Western Slope agriculture
- Water may be Western Slope agriculture's competitive advantage
- Agriculture is important for the Western Slope for innumerable reasons, and must serve a leadership role in decisions regarding drought resiliency in the upper basin.
- Protect the interests of the neighborhoods and communities
- Seek mutual benefit





CCU Pilot Program Objectives

- Identify and explore ways to deal with potential water supply shortages that do not require separation of water from the land
 - *that support agriculture*
 - *that are manageable and beneficial to the GVWUA and its members*
 - *are palatable to the rural community*
 - *prepare us for potential actions or negotiations required in an actual crisis*
 - *have possible beneficiaries beyond the GVWUA*
 - *have no or limited unintended consequences.*



CCU Pilot Program Goals

- Gauge farmer interest
- Determine scalability
- Mitigate financial cost and risk to the GVWUA
- Obligations and responsibilities of the GVWUA
- Explore potential benefit to the GVWUA
- Generate questions and concerns
- Create a stopping place
- *All preliminary to achieving the long-term goal:
delivering water to lake Powell to protect GVWUA and
related irrigation interests*



2017 CCUPP by the numbers

Payment for participation only

4 Program Activities

Program Activity	Criteria	CCU (ac-ft/ac)
FF/7Months	No CU throughout Irrigation Season	2.8
WW/6 Months	No CU until October 1	2.6
SS/5 Months	No CU until September 1	2.3
AA/4 Months	No CU until August 1	1.6

- Expressed desire by GVWUA board for flexibility
- Goal of using water bank as a crop rotation and an agronomic tool
- Limited potential CU in WW, SS, AA allowing for less uncertainty of CCU
- Flexibility without requiring technical monitoring of individual fields with innumerable variables



2017 CCUPP by the numbers

10 Farmer Cooperators

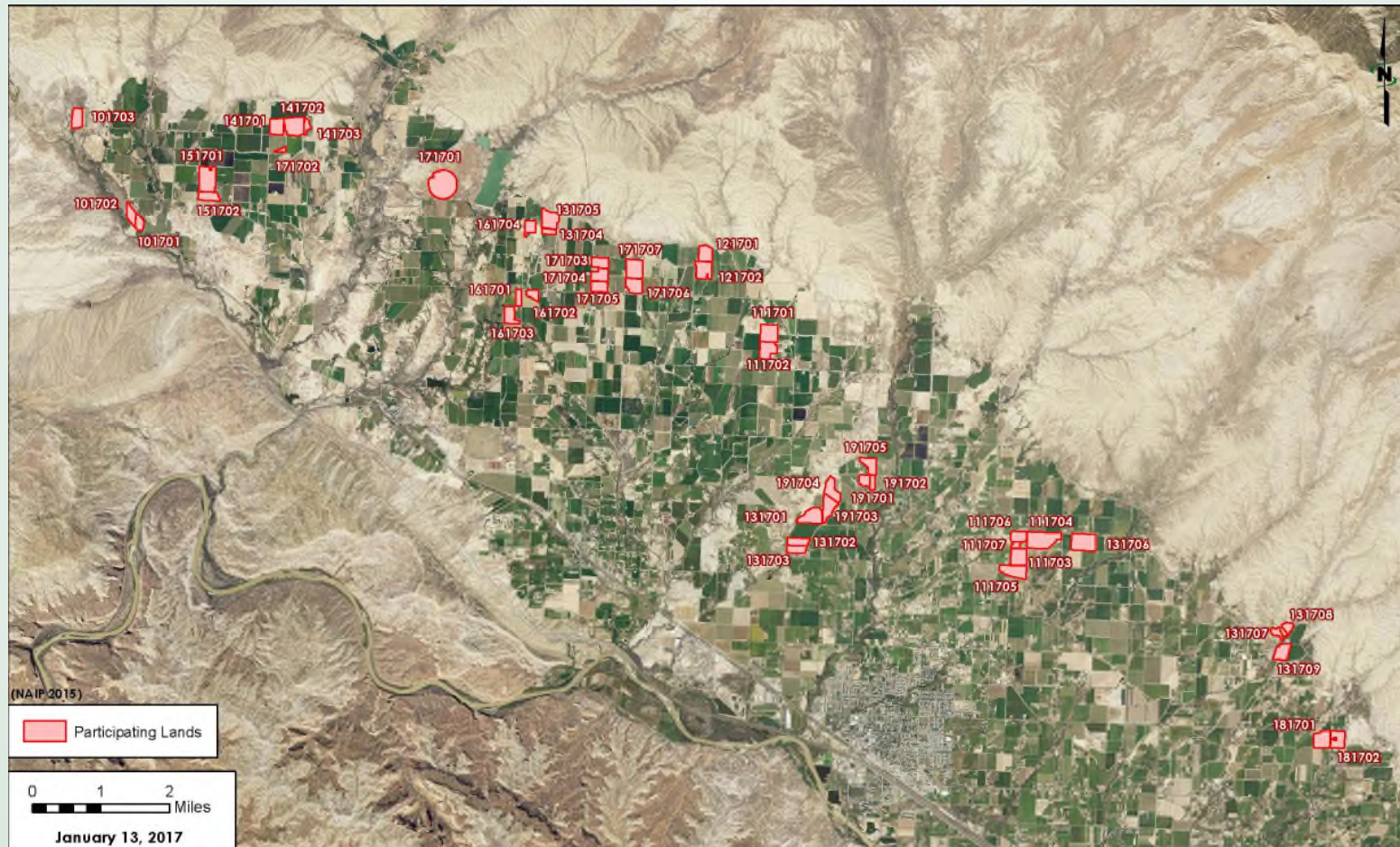
- All payments for participation; mos. in program
- Limited to those Farm Operators actively farming 120+ acres
 - Searching for scalability
 - Geographic distribution
 - Agronomic diversity
- Minimum 60 acres, maximum 240 acres; not to exceed 50% of 2016 farm acres controlled for 3yrs
- Chosen by lottery – 30 contacts; 13 potential; 10 selected





2017 CCUPP by the numbers

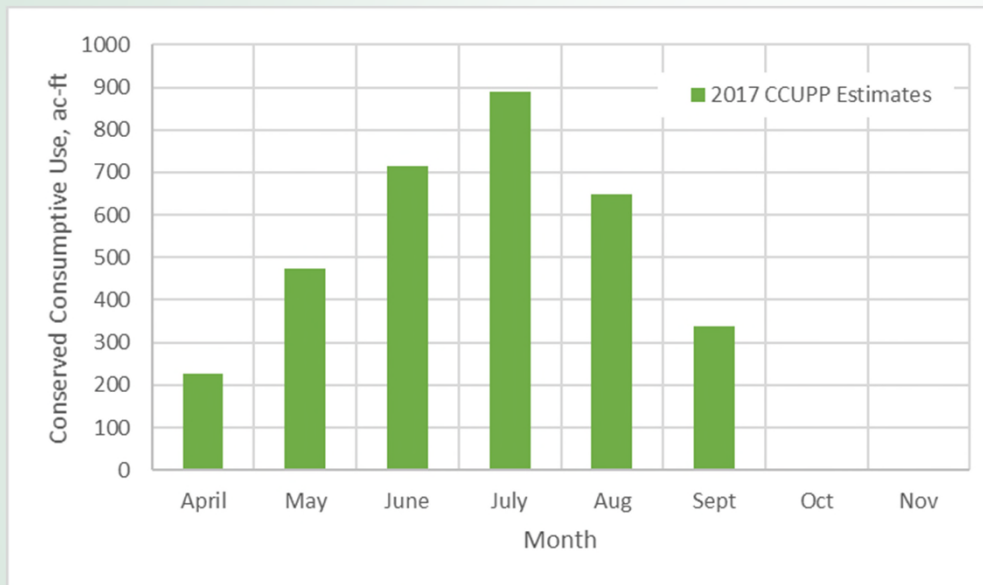
1,252.2 acres





2017 CCUPP by the numbers

3,178 acre feet



Slide 17

MH1

Mark Harris, 8/4/2018



2018 CCUPP, a second year

Goals:

- *Expand the program to smaller operations*
- *Allow farmers to utilize water savings as a crop rotation*
- *Continue to learn and build on the knowledge gained*
- *Continue to be a part of the conversation around drought contingency planning*





The 2018 CCUPP

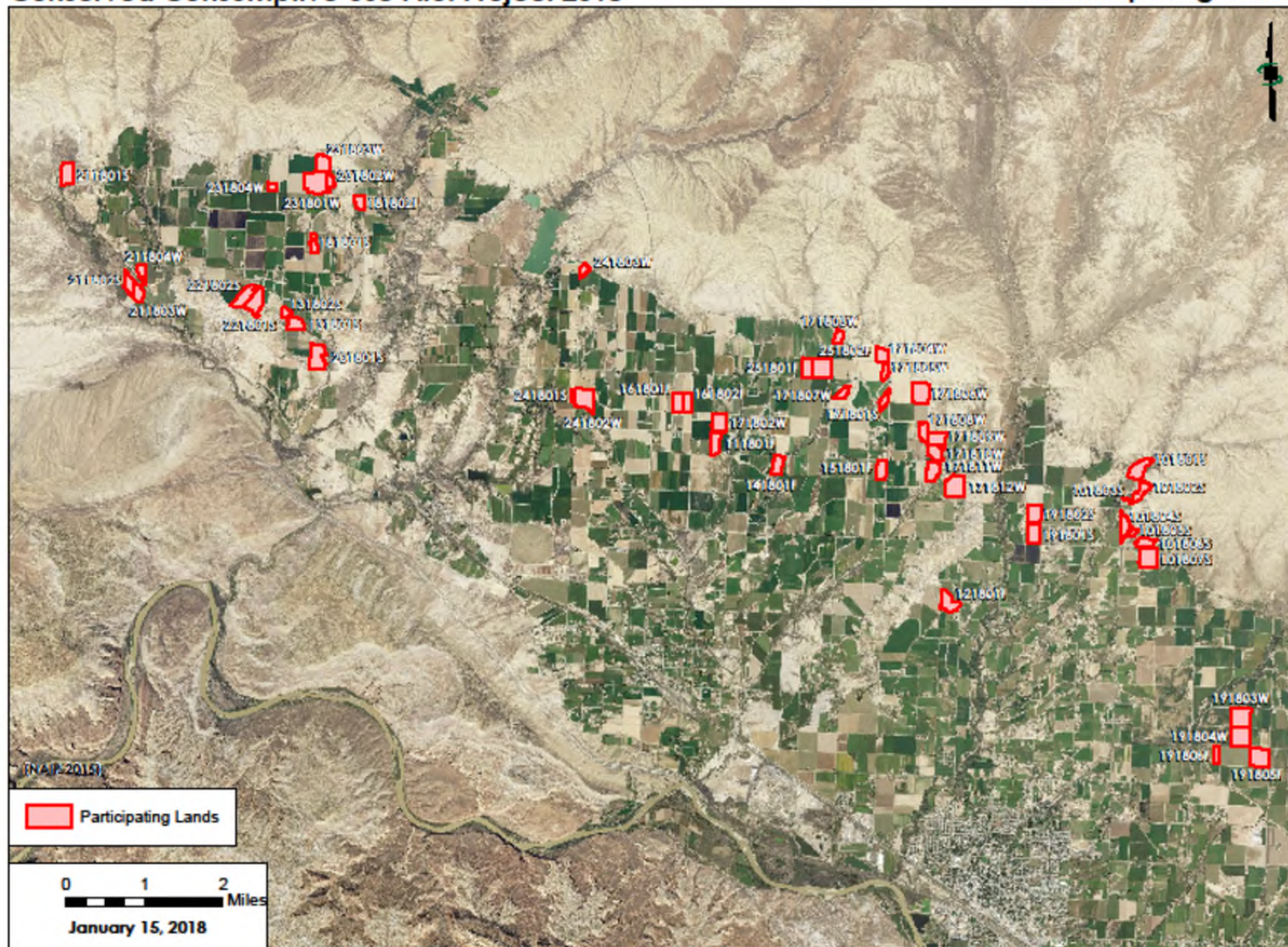
- 1000 acres of fallowed land
- From 10 to 16 Cooperators; 3 from 2017 excluded due to cap
- Approximately 2500AF CCU
- \$110,000 to the GVWUA infrastructure improvement fund
- All administrative costs incurred by GVWU will be covered
- Program budget of approximately \$850,000



2018 Conserved Consumptive Use Pilot Project

Grand Valley Water Users Association
Conserved Consumptive Use Pilot Project 2018

All Participating Lands



GVWUA Conserved Consumptive Use Pilot Project

A Successful **A**lternative **T**ransfer **M**echanism Project



Observations....

Lessons learned...

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***Grand Valley Water Users Assoc.
Thank you!***